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Security Council

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Letter dated 30 May 2006 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

The Counter-Terrorism Committee has received the attached fourth report from Kyrgyzstan submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex). I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Ellen Margrethe **Løj**
Chairman
Security Council Committee established pursuant to
resolution 1373 (2001) concerning counter-terrorism

06-36990 (E) 220606 230606

Annex

Letter dated 23 May 2006 from the Permanent Representative of Kyrgyzstan to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

On behalf of the Government of the Kyrgyz Republic and in response to your letter of 11 October 2005, I have the honour to transmit herewith the fourth report of the Government of the Kyrgyz Republic in accordance with paragraph 6 of Security Council resolution 1373 (2001) (see enclosure).

(*Signed*) Nurbek **Jeenbaev**
Ambassador
Permanent Representative

Enclosure

[Original: Russian]

Response of the Government of the Kyrgyz Republic to the letter of the Chairman of the United Nations Security Council Counter-Terrorism Committee, Ellen Margrethe Løj, of 11 October 2005

1. Implementation measures

1.2 In light of the above observations, the Committee would be grateful to receive an update on the status of the new legislation contemplated by Kyrgyzstan, including the draft bill on combating the financing of terrorism and money-laundering and the proposed draft amendments to Kyrgyz criminal legislation aimed at achieving full implementation of the nine international counter-terrorism conventions and protocols to which Kyrgyzstan is a party.

The Committee would also appreciate an explanation of how the contemplated bill and amendments referred to above (or, if they have been enacted, the new laws and regulations) address each of the above issues specifically, including an outline of how they give effect to the international counter-terrorism instruments.

(a) The National Bank of the Kyrgyz Republic refined the bill on combating the financing of terrorism and the laundering of the proceeds of crime within the framework of the working group on finalization of the bill established by Order No. 503-r of the Government of the Kyrgyz Republic of 25 August 2003 taking into account the Forty Recommendations and Special Recommendations on Terrorist Financing of the Financial Action Task Force (FATF).

The bill on combating the financing of terrorism and the laundering of the proceeds of crime was approved by Government Decision No. 217 on 31 March 2004.

A package of bills is attached to the bill, including a bill supplementing the Criminal Code, approved by Government Decision No. 216 of 31 March 2004, and a bill supplementing the Code on Administrative Responsibility, approved by Government Decision No. 316 of 29 April 2004.

On 9 December 2004, the aforementioned bill, together with the package of bills, was adopted in first reading by the Legislative Assembly of the Zhogorku Kenesh (Parliament).

On 16 June 2005, the Zhogorku Kenesh Budget and Finance Committee considered the bill on combating the financing of terrorism and the laundering of the proceeds of crime and decided to submit it to the Zhogorku Kenesh for consideration. Consideration of the bill was deferred to the autumn of 2005.

On 29 June 2005, the Zhogorku Kenesh Committee on Constitutional Law, the System of Government, the Rule of Law, Judicial and Legal Reform and Human Rights considered the package of bills attached to the bill, supplementing the Criminal Code and the Code on Administrative Responsibility, and decided to submit the aforementioned bills for legal review to the Kyrgyz Academy of

Sciences, Ministry of Internal Affairs, National Security Service and Procurator-General's Office and resume consideration thereof in the autumn of 2005.

On 13 October 2005, a bill on the financing of terrorism and the laundering of the proceeds of crime was considered at the session of the Zhogorku Kenesh and was rejected.

In March and April 2006, the bill was considered by the Zhogorku Kenesh after amendments and additions were introduced during hearings (after its rejection on 13 October 2005 by the Zhogorku Kenesh). Following consideration of the bill by representatives of deputies on 13 April 2006, further proposals were put forward, resulting in the submission of the bill for reconsideration to the Zhogorku Kenesh Budget and Finance Committee and Committee on Defence, Security, Law Enforcement and Information Policy.

These Committees are now considering the bill taking into account the current proposals by the deputies and International Monetary Fund and other international experts. There are plans this May to resubmit the bill on combating the financing of terrorism and legalization (laundering) of the proceeds of crime to the Zhogorku Kenesh taking into account the proposals made.

The bill provides for FATF recommendations (the nine Special Recommendations on Terrorist Financing) and provisions of the International Convention for the Suppression of the Financing of Terrorism (ratified by Act No. 79 of 15 April 2003). In particular, in implementation of article 8 of the Convention, there are provisions to take appropriate measures for the freezing or seizure of any funds used or allocated for the financing of terrorism and measures for the forfeiture of funds used or allocated for those purposes.

The bill specifies that banks and other financial and credit institutions authorized to open and maintain bank accounts must suspend the transactions of natural and legal persons reported to be involved in terrorist activities (or the financing of terrorism).

The Financial Intelligence Unit has drafted a bill amending and supplementing individual legislative acts of the Kyrgyz Republic. The bill introduces addendums to, inter alia, the Criminal Code and the Code on Administrative Responsibility which provide, respectively, for criminal and administrative prosecution in the territory of the Kyrgyz Republic for violations of the law in the area of the suppression of the financing of terrorism and the legalization (laundering) of the proceeds of crime.

In order to safeguard Kyrgyzstan's reputation, protect its financial and banking system and ensure that its banks are not used for transactions involving the financing of terrorism and the laundering of the proceeds of crime, the National Bank has adopted regulations containing measures to prevent the use of banks and their subsidiaries in fraudulent and other unlawful activities. These include:

- Strict requirements to establish the identity of clients wishing to open accounts, or of persons requesting a bank to conduct specific transactions. For this purpose, temporary instructions for handling deposits have been drawn up (approved by Decision No. 4/4 of the Board of the National Bank of 19 February 2003 and registered with the Ministry of Justice as Decree No. 35-03 of 25 March 2003);

- A decision has been adopted establishing requirements for identifying entities operating in offshore zones and drawing up lists of such zones (Decision No. 13/2 of 16 April 2003 of the Board of the National Bank, registered with the Ministry of Justice as Decree No. 37-03 of 22 April 2003) in order to prevent transactions for the legalization (laundering) of the proceeds of crime, to support efforts to combat the financing of terrorism and to ensure transparency of bank transactions. The National Bank also adopted a decision on establishing correspondent relations with banks and other financial and credit institutions registered in States and the territories of offshore zones (No. 6/8 of 27 March 2004), which establishes strict, economically sound criteria applicable to banks in offshore zones when Kyrgyz banks seek to establish correspondent relations with them. In addition, amendments and additions have been made to article 8 of the Act on banks and banking activities in the Kyrgyz Republic (as amended by Act No. 63 of 26 March 2003), which specifically prohibit entities registered in offshore zones from acquiring a capital interest in Kyrgyz banks (the list of offshore zones is established by the National Bank);

- In order to prevent suspicious bank transactions, the National Bank has sent a letter containing recommendations to banks and other financial and credit institutions in which there is a list of criteria by which transactions may be considered suspicious and characteristics showing the possible existence of laundering of the proceeds of crime and the financing of terrorism (approved by National Bank Oversight Committee Decision No. 50/2 of 1 March 2005);

- In accordance with paragraph 2 of Security Council resolution 1390 (2002), the National Bank has sent commercial banks lists of members of the Al-Qaida organization and the Taliban and other individuals, groups, undertakings and entities associated with them, as referred to in the list created pursuant to resolutions 1267 (1999) and 1333 (2000).

The bill on combating the financing of terrorism and the legalization (laundering) of the proceeds of crime requires financial and credit institutions and a range of other organizations to submit information on suspicious transactions involving monetary assets or other movable or fixed property that are covered by the established list of criteria to the authorized state agency.

In accordance with article 3 of the bill:

- Banks and other financial or credit institutions authorized to open and maintain bank accounts must suspend the transactions of natural and legal persons reported to be involved in terrorist activities (or the financing of terrorism) within three working days of the date on which the client's transaction order would have been carried out, and to transmit the information to a duly authorized State body no later than one day following the suspension of the transaction;

- A duly authorized State body may suspend transactions involving monetary or other assets for up to five working days even if only one of the parties engaging in such transactions is a natural or legal person reported to be involved in terrorist activities (or the financing of terrorism);

- The suspension or halting of transactions involving monetary assets or other property of natural and legal persons reported to be involved in terrorist

activities (or in the financing of terrorism) for an additional period of time beyond the deadline prescribed by order of a duly authorized body requires an instruction, decision or ruling by a court, or a decision by the authorities investigating the matter, accompanied by the authorization of the public prosecutor.

(b) By Government Decision No. 429 of 13 September 2005 a bill supplementing the Criminal Code of the Kyrgyz Republic was approved and sent to the Zhogorku Kenesh for consideration. The bill provides for supplementing the Criminal Code through an article laying down criminal liability for the seizure or holding of buildings, installations and means of transport or communication or other utilities, accompanied by the threat to destroy or damage them for the purpose of forcing a State, an organization or citizens to carry out or refrain from carrying out any action as a condition for releasing the seized facility.

Under Act No. 89 of 21 July 1999 on international treaties to which the Kyrgyz Republic is a party, international treaties constitute the legal basis for the Kyrgyz Republic's international relations and, in accordance with the Constitution, are an integral and directly enforceable part of the legislation of the Kyrgyz Republic. The Kyrgyz Republic believes in strict observance of the norms of international law and reaffirms its adherence to the basic principle of international law — the principle of implementation, in good faith, of international obligations.

1.3 Please explain whether Kyrgyzstan has established a financial intelligence unit (FIU) to carry out the traditional functions of such a unit; these include receiving suspicious transaction reports from financial institutions and other intermediaries, analysing financial information and disseminating information to the competent national and international authorities.

For the purpose of further protecting the rights and legitimate interests of citizens, society and the Government, strengthening the suppression of the financing of terrorism and the laundering of the proceeds of crime and protecting the integrity and sustainability of the financial system, Presidential Decree No. 352 of 8 September 2005 on the agency authorized to combat the financing of terrorism and laundering of the proceeds of crime established the Financial Intelligence Unit of the Kyrgyz Republic.

On 29 December 2005, Presidential Decree No. 655 approved the regulations governing the Financial Intelligence Unit and the authorized staff size (up to 28 persons).

In accordance with the regulations governing the Financial Intelligence Unit approved by Presidential Decree No. 655 of 29 December 2005, the Unit is responsible for implementing measures to combat the financing of terrorism and the laundering of the proceeds of crime, protecting the rights and lawful interests of citizens, society and the State as well as the integrity and stability of the financial system of the Kyrgyz Republic.

The Unit's main tasks are:

- To collect, process and analyse, in accordance with established procedure, information, documents, data and other materials (hereinafter referred to as information) on transactions with monetary or other assets subject to

mandatory control in accordance with the law of the Kyrgyz Republic on combating the financing of terrorism and money-laundering;

- To establish an integrated information system and introduce a database in the area of combating the financing of terrorism and money-laundering;
- To transmit relevant information to the law enforcement agencies, as appropriate, where there are sufficient grounds indicating that a transaction with monetary or other assets is related to the financing of terrorism or laundering of the proceeds of crime;
- To cooperate and exchange information, in accordance with the international agreements to which the Kyrgyz Republic is a party, with the relevant foreign agencies involved in combating the financing of terrorism and money-laundering as well as to represent the Kyrgyz Republic within international organizations on issues of combating the financing of terrorism and money-laundering.

Structure of the Financial Intelligence Unit of the Kyrgyz Republic

Division for Monitoring the Prevention of the Financing of Terrorism and Money-Laundering

(organizational and analytical division)

The Money-laundering Prevention Branch:

- Analyses information on transactions (deals) with monetary or other assets subject to control (monitoring) in accordance with the law of the Kyrgyz Republic;
- Conducts verification measures and financial monitoring for the purpose of identifying signs of the use of the proceeds of crime;
- Conducts financial monitoring and analytical studies on issues concerning the legalization (laundering) of the proceeds of crime in various sectors of the economy;
- Investigates typical methods and financing arrangements for money-laundering and the financing of terrorism;
- Prepares summary material;
- Cooperates with the competent foreign authorities during the stage of information-gathering and preliminary investigations into transactions (deals) connected to the legalization of the proceeds of crime.

The Terrorist Financing Prevention Branch:

- Collects, summarizes and analyses information on the forms of and methods used for financing and otherwise supporting terrorist organizations and material on natural and legal persons reported to be involved in terrorist activity;
- Organizes efforts to compile and maintain a list of organizations and natural persons reported to be involved in extremist (or terrorist) activity and brings it

to the attention of organizations conducting transactions with monetary and other assets;

- Develops and refines algorithms for the retrieval of information on transactions with monetary and other assets conducted by credit or other financial institutions in accordance with mandatory and internal control procedures for the timely identification of signs of their possible use in providing material or other support for extremism (terrorism);

- Classifies, analyses and processes information from credit or other financial institution on transactions (deals) with monetary or other assets for the purpose of identifying their possible involvement in the financing of extremism (terrorism);

- Submits to law enforcement agencies information and material on transactions (deals) with funds and other assets with identified signs of their use for the purpose of the financing of extremism (terrorism) so that they may be further verified within the scope of the agencies' competence;

- Fosters cooperation between foreign organizations and the executive bodies of the Kyrgyz Republic on issues concerning the prevention of the financing of terrorism.

The Division of Information Technology Services and International Cooperation

The Information Technology Branch:

- Establishes an integrated information system in the area of combating the legalization (laundering) of the proceeds of crime and the financing of terrorism;

- Develops and maintains an integrated database in the area of combating the legalization (laundering) of the proceeds of crime and the financing of terrorism;

- Collects and processes information on transactions with funds or other assets in accordance with the law of the Kyrgyz Republic on combating the legalization (laundering) of the proceeds of crime and the financing of terrorism;

- Develops information resources relating to the work of the Financial Intelligence Unit;

- Ensures the hosting, processing, maintenance and transmission of data and restricts users' access of the Financial Intelligence Unit to the relevant information resources;

- Establishes, utilizes and develops an information management system for the Financial Intelligence Unit based on information technology;

- Organizes professional training and advanced training of Financial Intelligence Unit officers in the area of information-technology work.

The International Cooperation Branch:

- Ensures the exchange of information with the competent foreign authorities in accordance with international agreements to which the Kyrgyz Republic is a party in a given sphere of activity;

- Participates in the development and implementation of international cooperation programmes and the preparation and conclusion of international agreements to which the Kyrgyz Republic is a party, including inter-agency agreements, in the area of combating money-laundering and the financing of terrorism;
- Ensures cooperation between the Unit and foreign authorities, organizations, officials and nationals within the Kyrgyz Republic and abroad;
- Ensures participation by the Unit in the activities of international organizations involved in cooperative efforts to prevent and combat money-laundering and the financing of terrorism (including the Eurasian Group on Money-Laundering and the Financing of Terrorism, FATF, the Egmont Group of Financial Intelligence Units and others);
- Studies international experience and practice in combating the legalization (laundering) of the proceeds of crime and the financing of terrorism.

The Division of Legal Services and Oversight Activities

The Legal Services Branch:

- Extends the practice of applying and preparing proposals to update Kyrgyz law in the area of combating the legalization (laundering) of the proceeds of crime and the financing of terrorism;
- Defends the rights and legitimate interests of the Unit in courts, other state agencies, local authorities, the National Bank and organizations;
- Coordinates the activities of executive bodies in the area of combating the legalization (laundering) of the proceeds of crime and the financing of terrorism;
- Maintains the integrated record-keeping system, ensures documentation support for management and provides guidelines for record-keeping;
- Drafts proposals for inter-agency plans and prepares reports on measures taken.

The Oversight Activities Branch:

- Registers organizations conducting transactions (deals) involving monetary or other assets whose activities are not monitored by oversight bodies;
- Harmonizes the rules governing the internal oversight of organizations conducting transactions with monetary or other assets whose activities are not monitored by oversight bodies;
- Cooperates with monitoring bodies (the National Bank, the Agency for the Development of the Non-banking Sector, the securities market and others) on matters relating to the management of oversight activities in the area of combating the legalization (laundering) of the proceeds of crime and the financing of terrorism;
- Undertakes verification measures on the implementation by natural and legal persons of the obligations under the law of the Kyrgyz Republic on combating

the legalization (laundering) of the proceeds of crime and the financing of terrorism relating to observance of the procedures for recording, storing and providing information on transactions (deals) involving funds or other assets subject to compulsory monitoring and internal oversight procedures.

The Administrative Division carries out support functions.

1.4 The Committee notes that article 776 of Kyrgyzstan's Civil Code (as outlined on page 4 in the second report) does not allow the Kyrgyz authorities to monitor informal monetary transfers. Please provide an outline of the legal and administrative provisions in place to regulate alternative remittance services and cash transfers.

In accordance with existing legislation, non-cash transactions in the territory of the Kyrgyz Republic are carried out by financial and credit institutions (or banks) with a license to carry out the relevant transactions involving accounts opened on the basis of agreements on opening and maintaining a bank account, unless otherwise specified by law, and depending on the type of payment instrument.

For the purpose of monitoring alternative remittance services (or methods), article 7 of the bill on combating the financing of terrorism and legalization (laundering) of the proceeds of crime provides for mandatory monitoring of operations and transactions subject to legally established criteria, including money transfers that are not carried out by financial and credit institutions on behalf of their customers as well as under systems allowing for such transactions to be carried out without opening an account.

Article 776 of the Civil Code, entitled Cash and Non-cash Payments, does not prohibit the competent authorities of the Kyrgyz Republic from monitoring informal monetary transfers. Meanwhile, a bill is being prepared introducing the appropriate amendments and supplements to the Civil Code with respect to the existing bans on acquiring information relating to combating the financing of terrorism and money-laundering.

1.5 The resolution requires each Member State, inter alia, to have in place appropriate mechanisms to deny terrorists access to weapons. The Committee would appreciate a progress report on the export control system for weapons, which, according to the second report (p. 11), is being drafted. Which administrative and operational measures are in place to monitor and enforce the laws pertaining to the control of firearms, ammunition and explosives?

For the purpose of defending the security interests of the Kyrgyz Republic and fulfilling the obligations under the international agreements to which the Kyrgyz Republic is a party on the non-proliferation of weapons of mass destruction and their delivery vehicles, the Act on export controls was adopted on 23 January 2003. The following measures have been taken within the framework of implementing the Act:

- Government Decision N2 121-R of 17 March 2003 on the establishment of an inter-agency working group of experts on export control matters;
- Presidential Decree UP N2 265 of 14 August 2003 on measures for the further development of military and technical cooperation between the Kyrgyz Republic and foreign States and the introduction of a national system of export

control. The Decree transformed the Commission on Military and Technical Cooperation into the Commission on Military and Technical Cooperation and Export Control and vested it with the authority to monitor the implementation of international agreements to which the Kyrgyz Republic is a party in the area of the non-proliferation of weapons of mass destruction and their delivery vehicles as well as to coordinate the activities of state agencies and persons engaged in foreign trade in the area of export control.

- Government Decision N2 330 of 4 May 2004 on measures to introduce in the Kyrgyz Republic a national export control system, which approved a number of regulations on export control.

Pursuant to the implementation of Act No. 30 of 23 January 2003 on export control, on 14 August 2003 the Kyrgyz President signed Decree No. 265 on measures for the further development of military and technical cooperation between the Kyrgyz Republic and foreign States and the introduction of a national export control system, by which the Commission on Military and Technical Cooperation and Export Control was established and the Ministry of Defence selected to administer it.

The Decree specifies the Commission's main areas of activity, including the coordination of the activities of the State agencies and persons engaged in foreign trade in the area of export control as well as addressing issues concerning the export, import, re-export and transit of controlled goods.

In accordance with Government Decision No. 607 of 3 October 2000, the Ministry of Defence is the competent executive authority responsible for reviewing official orders by foreign customers for military goods and services. In addition, the review of the applications of foreign customers is determined in accordance with the lists of military goods authorized for delivery to foreign States and countries to which the Kyrgyz Republic is permitted to deliver (export) military goods as approved by Government Decision No. 39 of 8 February 2001.

Furthermore, the Government of the Kyrgyz Republic adopted Decision No. 330 of 4 May 2004, which approved the regulations and laws governing the procedures for carrying out export control of goods included in the national control list of the Kyrgyz Republic, including small arms and light weapons.

The draft national control list developed by the Inter-Agency Working Group of experts on export control matters was submitted for approval to the Zhogorku Kenesh by a Government decision on 5 April 2006.

The main mechanism for preventing access by terrorists to weapons, ammunition and explosive substances within the Ministry of Defence is provided for by Ministry of Defence Order No. 203 of 11 November 2001 on the registration, storage and maintenance of weapons, ammunition and engineering ammunition in the Armed Forces of the Kyrgyz Republic. Ongoing control of the timely implementation of measures to verify their presence and storage and maintenance conditions, prevent theft, and detect violations of operating regulations is the principal means of enhancing the protection of small arms, ammunition and explosive substances.

In accordance with Government Decision No. 260 of 31 May 2001, the Ministry of Internal Affairs is the licensing body for the production, repair and trade

of weapons and ammunition. However, in accordance with the Act on weapons, its regulations cover civilian and service weapons which are traded within the State.

It should be noted that the concept of small arms and light weapons encompasses a wide range of portable weapons which are mainly concentrated in Ministry of Defence formations and troop units.

In this regard and in order to implement the Council of Heads of State of the Commonwealth of Independent States (CIS) Decision on measures to control the international transfer by States members of the Commonwealth of Independent States of Igla and Strela man-portable air defence systems of 19 September 2003, which includes the category of light weapons, on 20 June Government Order No. 461 was adopted designating the Ministry of Defence the competent authority responsible for reporting any sale or purchase of man-portable air defence missile systems by the Kyrgyz Republic.

In accordance with Act No. 49 on weapons of 9 June 1999 the agencies of the Ministry of Internal Affairs control the trade in service and civilian weapons, with the exception of weapons in the inventory of state paramilitary organizations.

On the basis of this Act, the Ministry of Internal Affairs has developed regulations governing the trade in service and civilian weapons and their ammunition in the Kyrgyz Republic, approved by Government Decision No. 721 of 21 November 2001. These regulations establish the procedures for the sale, transfer, purchase, registration, possession and carrying as well as the import and export of weapons and their ammunition.

The Ministry of Internal Affairs has developed and is now coordinating with other ministries and departments draft regulations on the circulation of hand-held service firearms and other weapons, ammunition and edged weapons in State paramilitary organizations and the draft Government decision thereon.

The internal affairs agencies are carrying out major efforts to combat illegal trafficking in weapons. Preventive training exercises code-named "Arsenal" are conducted every year to enhance the operational environment, prevent and detect crimes committed with the use of firearms and to suppress illicit trafficking in such weapons.

1.9 The Committee takes note of Kyrgyzstan's reference to the low level of security of identity papers and travel documents. Please provide a progress report on measures taken to improve the security of the country's borders, especially with respect to the introduction of new identity documents and of computerized mechanisms at border checkpoints.

One of the most important factors for ensuring an effective export control system is the need to strengthen the physical protection of our State borders. Border and customs service personnel are required to undergo regular training, and the posts are being upgraded and now correspond to current realities.

In December 2003, by a Decree of the President of Kyrgyzstan, an independent Border Service of the Kyrgyz Republic was established, based on the Main Border Protection Administration, which had formerly been part of the Ministry of Defence. The Border Service is now part of the National Security Service of the Kyrgyz Republic.

Despite its relatively "young" age, the Border Service's troops have already demonstrated their very high level of capability and have been actively involved in efforts to establish an effective export control system.

The border troops are taking a number of measures to detect and suppress any illegal activity on the State borders of the Kyrgyz Republic. In particular, they are regularly conducting special border operations aimed at detecting and arresting violators of the State border regime, persons affiliated with international terrorist organizations and also persons involved in smuggling weapons, drugs and other items and substances that are prohibited from being imported into or exported from the territory of the Kyrgyz Republic. The Border Service is taking steps to upgrade existing State border crossing points of the Kyrgyz Republic in accordance with international standards and supply them with modern equipment, and is also working to open new crossing points.

The Government of the United States of America has extended assistance to Kyrgyzstan, free of charge, within the framework of the Export Control and Related Border Security Assistance Program, to ensure border security and strengthen the relevant units of the Kyrgyz Republic through material and technical means (such as radio stations and devices for detecting border violations).

Three crossing points have been built and outfitted, with the financial assistance of the United States Government and the Border Management Programme in Central Asia and the Central Asian Drug Action Programme (BOMCA/CADAP). A provisional agreement has been reached with the International Organization for Migration on the transfer to border troops of border control equipment, including computers, for the swift and effective verification of modern types of documents.

The use of this equipment will increase the number of detailed checks of the passports of Kyrgyz nationals for the purpose of identifying false documents and persons belonging to international terrorist or extremist organizations. The National Security Service border troops are also pursuing the planned equipping of crossing points with a computerized border control system.

However, the Kyrgyz Republic urgently requires the necessary technical resources and financial and methodological assistance to make its export control system fully functional.

1.11 The Committee would appreciate it if Kyrgyzstan would share with it any assessments or evaluations carried out by international or regional bodies such as the International Monetary Fund (IMF) in connection with implementation of the resolution, including those related to operational measures.

The International Monetary Fund's office is planning a Financial Sector Assessment Programme for 2006, including an assessment of the conformity of Kyrgyz law with the FATF recommendations on combating money-laundering and the financing of terrorism.

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Letter dated 30 May 2006 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

The Counter-Terrorism Committee has received the attached sixth report from Egypt submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex). I would be grateful if you could arrange for the present letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Ellen Margrethe **Løj**
Chairman
Security Council Committee established pursuant
to resolution 1373 (2001) concerning counter-terrorism

06-37014 (E) 230606 260606

Annex

Letter dated 23 May 2006 from the Permanent Representative of Egypt to the United Nations addressed to the Chairman of the Counter-Terrorism Committee

With reference to your letter dated 13 February 2006 requesting further information concerning the implementation by the Egyptian authorities of Security Council resolution 1373 (2001) and the implementation measures related to Security Council resolution 1624 (2005), I have the pleasure to enclose herewith the report prepared by the competent authorities in Cairo in this regard (see enclosure). Annexed also is the text of Law 97 of the Penal Code dealing with terrorism, as well as several documents containing contributions of Egypt to enhance dialogue and understanding among civilizations.

(*Signed*) Maged **Abdelaziz**
Ambassador
Permanent Representative

Enclosure*

[Original: Arabic]

National Committee on International Counter-terrorism Cooperation

Response to enquiries regarding the fifth Egyptian report concerning counter-terrorism measures submitted to the Security Council Counter-Terrorism Committee

1. Implementation measures

1.1 The Committee welcomes Egypt's ratification of the International Convention for the Suppression of the Financing of Terrorism and the International Convention for the Suppression of Terrorist Bombings. It notes, however, that Egypt's accession to the Convention on the Physical Protection of Nuclear Material is still under consideration (fifth report, p. 6) and would appreciate receiving a progress report on the steps taken by Egypt to become a party to this Convention.

Reply:

Formalities to accede to the Convention on the Physical Protection of Nuclear Material are currently being completed in light of its approval by all relevant national parties.

1.2 The Committee notes that Egypt has signed the International Convention for the Suppression of Acts of Nuclear Terrorism and would appreciate knowing what steps Egypt intends to take to become a party to this Convention.

Reply:

With regard to the steps Egypt intends to take to become a party to this Convention, the relevant authorities are currently studying the possibility of Egypt ratifying the Convention in the near future.

1.3 The Committee notes that Egypt's Money-Laundering Act requires financial institutions to report suspicious transactions linked to money-laundering. However, the Committee would like to draw attention to the fact that suspicious transactions related to the financing of terrorism are to be distinguished from those related to money-laundering since funds used for the financing of terrorism may be of legal origin. Are there any other laws or regulations which require financial institutions to report suspicious transactions? Could Egypt also provide the Committee with the number of suspicious transaction reports (STRs) received by its Money-Laundering Combating Unit (MLCU) and, in particular, with the number of reports related to the financing of terrorism and the number of such reports that have resulted in investigations, prosecutions and convictions? With regard to such investigations, prosecutions and convictions, if any, on the basis of what laws or regulations did they take place?

* Annexes are on file with the Secretariat and are available for consultation.

Reply:

A number of provisions of the implementing regulations of the Money-Laundering Act are devoted to suspicious transactions related to the financing of terrorism. Article 3 provides for the exercise by MLCU of its competencies pursuant to the Act and to Presidential Decisions Nos. 164 of 2002 and 28 of 2003. Specific provisions include the following:

Subparagraph 7 provides for the establishment of a database containing all reports and information received by MLCU on money-laundering, on activities related to the financing of terrorism, and on national and international efforts to combat them. This database is constantly updated and guidelines and safeguards ensure that its confidentiality is preserved while being made available to the judicial authorities and other relevant parties.

Subparagraph 11 provides for the exchange of such information and for coordination with parallel units and other competent foreign State agencies and international organizations to combat money-laundering and the financing of terrorism. This is done in implementation of the provisions of bilateral and multilateral international agreements to which Egypt is party or in accordance with the principle of reciprocity, and in compliance with the safeguards included in such provisions to preserve the confidentiality of the information and to limit its use to the purposes for which it was provided or requested.

Subparagraph 20 provides for the conclusion of bilateral or multilateral agreements with foreign States that regulate the disposal of funds ordered seized by Egyptian or foreign judicial authorities in crimes of money-laundering or financing of terrorism and include guidelines for the distribution of such funds among the Parties to the agreements.

Where, because of the nature of the activity, financial institutions cannot determine whether the original crime is money-laundering or financing of terrorism, and merely submit a suspicious transaction report (STR), MLCU examines such reports and carries out the necessary investigations to determine whether the original crime that resulted in the suspicious proceeds is one of money-laundering or financing of terrorism.

As of 15 April 2006, MLCU had received 1,327 such reports.

1.4 **In response to the Committee's question as to whether the reporting obligation extends also to professions such as lawyers, Egypt indicates on page 14 of its fifth report that its Money-Laundering Act has been amended in order to make it possible to expand its scope to include other persons, whether natural or legal, by decision of the Prime Minister. Has the Prime Minister taken such a decision since the Act was amended? If so, please provide details.**

Reply:

Article 1 of Act No. 78 of 2003 amending certain articles of the Money-Laundering Act (No. 80 of 2002) states the following:

"A new clause shall be added to article 1, paragraph (c), subparagraph 11, of the Money-Laundering Act (No. 80 of 2002), as follows:

'Article 1, paragraph (c), subparagraph 11: "... other parties determined by decision of the Prime Minister, whether the person engaging in the activities provided for in this article is a natural person or a legal person."'"

This amendment thus gives the Prime Minister the right to add any natural or legal person he sees fit to the financial institutions mentioned in Act No. 80 of 2002 with respect to the obligation to report suspicious activity. Measures are currently under way to put this provision into effect.

1.5 **The Committee takes note of the measures in place to freeze assets of individuals or organizations involved in terrorist activities and would appreciate receiving information on the number of individuals or organizations whose assets have been frozen, as well as the amount of money frozen. If such assets were frozen, on the basis of which laws or regulations were they frozen?**

Reply:

The freezing of assets is done on the basis of instructions sent to banks from the Central Bank of Egypt. To date, no such assets have been frozen, since the banks have no accounts originating with individuals or institutions appearing on United Nations lists.

1.6 **The Committee takes note of the fact that the draft law on international judicial cooperation in criminal matters is expected to be completed in the near future, as indicated on page 3 of Egypt's fifth report, and would be grateful to receive an update on the status of this draft, as well as on any procedures or safeguards that may be applied in the area of international cooperation, including with respect to the transfer of terrorism suspects.**

Reply:

The draft law on international judicial cooperation in criminal matters has been referred to the Minister of Justice pursuant to the provisions of the second part of the decision of the Minister of Justice to establish a committee on the law on international judicial cooperation in criminal matters. That committee will refer the draft text to the Permanent Committee on the Penal Code and the Code of Criminal Procedure for its consideration and opinion before referring it to the People's Assembly for promulgation in accordance with the Constitution.

1.7 **The Committee notes that the Egyptian Ministry of Justice has made it a practice to provide that crimes of terrorism are not to be considered political crimes for which extradition would be denied (second report, p. 12). The Committee would appreciate it if Egypt could inform it of the steps that it has taken or intends to take to ensure that this practice is supplemented by legal provisions.**

Reply:

This provision has been codified in article 2 of the draft law on international judicial cooperation in criminal matters as follows: "Crimes of terrorism so defined in international and regional agreements in force in Egypt shall not be considered political crimes." The same applies to war crimes, crimes of genocide, crimes

involving an attack on the Head of State, the Vice President, any of their family members, the Prime Minister, ministers, and all other persons enjoying international protection, or crimes against the public interest as set forth in chapter 1, articles 1 and 2 of the Penal Code.

1.8 What measures has Egypt taken to improve the quality of its national identification and travel documents in order to meet minimum international security standards aimed at preventing their duplication, falsification, or fraudulent acquisition? Could Egypt also provide information regarding the procedures and equipment used to detect counterfeit, altered or stolen identity papers and travel documents at border points?

Reply:

The following section covers the following: (1) measures implemented by the Egyptian Ministry of the Interior to improve the quality of its identification and travel documents in order to meet minimum international security standards aimed at preventing their duplication, falsification, or fraudulent acquisition; (2) equipment used at borders to keep track of counterfeit, altered or stolen identity papers; and (3) measures implemented to increase passenger security and search suspicious passengers:

I. Measures to improve travel documents and identity cards.

A. Travel documents

The Egyptian passport currently in use conforms to international security standards, in that it is equipped with modern security features aimed at preventing duplication, falsification or fraudulent acquisition. The Egyptian passport has evolved through several stages to arrive at its current form, and includes the following security features:

- A green plastic cover that shows up blue under ultraviolet light;
- Pages have a plastic strip incorporated in a way that an ordinary person would not be able to duplicate and which shows up blue under ultraviolet light;
- Motto of the Republic prominently written and etched on the cover;
- All pages are numbered at the top with a number that disappears under infrared light and containing a watermark consisting of the motto of the Republic within which is a strip that glows under ultraviolet light and reads, "Department of Passports, Immigration and Citizenship";
- All pages contain pharaonic drawings and a motto of the Republic that glows under ultraviolet light;
- Second information page is secured with a heat-laminated clear plastic sheet that contains a green strip with a mark of the Sphinx that glows under ultraviolet light;
- Bearer's photograph is secured with a seal that is serrated on both sides;
- All pages have a perforated number corresponding to the passport issue number.

The passport currently in use has also recently been modernized in accordance with modern international standards, and includes the following security features:

- An oilcloth cover with "Arab Republic of Egypt" printed in gold letters in Arabic and English that glow under ultraviolet light;
- Passport pages are of high-quality pure cotton fibre and contain fluorescent fibres and three-dimensional watermark of the pyramids, together with a security thread that glows under ultraviolet light and which reads "Ministry of the Interior — Passport";
- Passport pages are bound with three braided extra-strength threads that glow under ultraviolet light;
- The passport is dry-offset printed and the English word "COPY" appears in the background of the page when any attempt is made to photocopy it electronically;
- All pages are enumerated with numbers that are finely integrated into the page design;
- Microprinting is employed;
- The ink employed is invisible to the naked eye but shows up under ultraviolet light;
- Passports are numbered with laser-printed serial numbers;
- Passports can be scanned mechanically because they are incorporated into the global airport and seaport system in accordance with International Civil Aviation Organization (ICAO) standards;
- Passports are printed mechanically and the photo is printed in the upper left-hand corner using dye-sublimation;
- Bar codes are used for data that can be read in both Arabic and English.

B. Identity cards

Identity cards, which carry a citizen's national identification number, contain a number of security features to prevent possible counterfeiting and data alteration:

- The data and photograph are printed on the inner layers of the card using laser etching that cannot be erased or scratched off without destroying the inner core;
- The card is made out of a material that can be written on using laser etching only and is produced internally by the Directorate of Civil Status and circulated according to coded numbers that are optically scanned and stored in the cardholder's personal database;

II. Equipment used to keep track of forged, altered or stolen identity papers

The forensic branches of the security services have been charged with extending to all districts of the Republic the screening of suspicious passports through the use of modern laboratory equipment, including equipment for inspection and comparison of the identifying features of stamps and documents; ultraviolet radiation equipment; non-penetrating and penetrating X-ray equipment; infrared

optical equipment; microscopes with magnifying lenses of various sizes; and cameras for photographing counterfeit documents. In this regard we note the following:

- The forensic divisions of the competent security agencies in the various land, sea and air points of entry conduct the screening of suspected counterfeit travel documents using the most up-to-date advanced technology and equipment, the most notable of which are the following: stereo zoom microscopes; the DOCUCENTRE 3000 ultraviolet and infrared optical scanner; the INSPEC II ultraviolet optical scanner; the PHOTONIC PL 2000 light amplifier; PROJECTINA microscopes; and the new DOCUBOX 5000S and INSPEC III passport scanners. All of these together with other modern equipment are used for the screening and comparison of identifying marks on stamps and documents.

We also draw attention in this regard to the following:

The Department of Passports, Immigration and Nationality of the Egyptian Ministry of the Interior issues an update whenever there is new information or data containing the numbers of travel documents that have been stolen, lost or replaced or have had their data or visas altered in any way. In this regard we call attention to the following:

- People in possession of counterfeit, lost or altered travel documents are subject to legal measures and to registration as criminals; and
- There is coordination between the Department of Passports, Immigration and Nationality, the competent security agencies (including the Public Funds Investigation Department), and the foreign embassies of the persons using or possessing the counterfeit document with a view to addressing and curbing the international dimension of the crime.

All data on the identity card are encoded in a two-dimensional bar code on the body of the card that can only be read by a special decoding machine. The relevant security agencies are capable of detecting any manipulation of the data.

III. Measures implemented to strengthen passenger security at all air, sea and land points of entry

The competent agencies of the Ministry of the Interior have undertaken to outfit all land, sea and air points of entry with the most up-to-date equipment and machines for implementing their security plans and measures. These include X-ray detection equipment for luggage and goods, walk-through metal detectors and body searches, fiberscopes and mirrors for vehicle searches, communications equipment, watercraft for securing the ocean surface at seaports and other modern equipment.

All security plans and measures implemented are designed to ensure a successful passenger security regime through multiple and varied rings of security as follows:

- Security screening focal points are designated at port entrances for screening clients, vehicles, their occupants and cargo, and for investigating suspicious cases;

- Departing passengers are checked at departure gates through X-ray screening of their luggage and personal effects;
- Secret service personnel are deployed in the port area (inside and outside the customs zone) to detain and investigate suspicious people, screen clients, and ensure the security of departing and arriving passengers;
- Outside areas (such as waiting areas for cars, tour buses, tour groups and departing and arriving passengers) are secured to ensure the safety of passengers and clients using them;
- Travel documents, including entry visas and residency permits, are thoroughly checked to ensure their validity;
- Departing travellers are rechecked and screened with the same equipment used at the gates when they enter the "travel" area;
- An emergency plan has been devised that includes measures and procedures for dealing with crises, emergencies, dangerous scenarios and unlawful interference threatening ports together with high-level training for enforcement personnel;
- All port perimeters are secured by round-the-clock security patrols to spot, intercept and stop any infiltration;
- Essential installations, and facilities, such as electrical stations, fuel stations and observation towers, are secured to ensure smooth and uninterrupted operation;
- Security checks are run on port clients to verify their identities and to make sure that their entry was lawful and that they are carrying the necessary permits;
- Effective measures have been taken to detect arms and dangerous substances through the screening of persons, goods, personal effects, vehicles and vessel cargo holds with explosive-detection equipment and body searches;
- The danger of fire is averted in accordance with a well-researched plan implemented by trained specialized teams;
- Security screening of goods and trucks is done through the use of X-ray and fiberscope explosive-detection equipment, explosive-sniffing dogs and hand searches.

Airports

All measures are taken within the framework of the instructions issued by the International Civil Aviation Organization (ICAO) in annex No. 17 to the Convention on International Civil Aviation, entitled "Security: Safeguarding International Civil Aviation against Acts of Unlawful Interference".

Seaports

A comprehensive regime of security measures guaranteeing passengers the best possible security has been implemented by drawing up security plans for seaports in accordance with the International Code for the Security of Ships and

Port Facilities (the ISPS Code) issued by the International Maritime Organization (IMO). The salient features of the security regime are as follows:

- Coverage by security launch patrols secures the ocean surface, access routes and ships moored at docks; floating craft of any kind and anyone working on them undergo security checks to ascertain that they are on the water's surface lawfully;
- Restricted areas (docks and other areas where ship-related activities such as loading, unloading, passenger embarkation and disembarkation, and crew movements occur) are monitored and access restricted to persons who have legitimate business there and are carrying permits;
- Security service personnel are posted on gangways to monitor passenger embarkation and disembarkation and to ensure that passport data and photographs match the bearer;
- In addition to monitoring the embarkation and disembarkation of all persons having legitimate business with the crew (such as loading and unloading, maritime services, provisioning, etc.), a guard detail is also posted on commercial ship gangways. Ships are checked for stowaways to limit illegal immigration.

In this regard it is worth noting the following:

- The Ministry of the Interior has undertaken to support ports and entry points with qualified personnel to implement all security plans (such as guard details, criminal investigation, security screening and civil defence); their skills are refined and enhanced in specialized training sessions in training academies run by the Ministry of Defence or located abroad;
- The Department of Passports, Immigration and Nationality is linked by computer network to the Department of Public Security in order to facilitate, inter alia, the implementation of regulations, the capture of wanted persons, and the implementation of criminal registration measures;
- Communications have been modernized (landline, wireless and computer).

2. Implementation of resolution 1624 (2005)

Paragraph 1

2.1 What measures does Egypt have in place to prohibit by law and to prevent incitement to commit a terrorist act or acts? What further steps, if any, are under consideration?

Reply:

Measures in place in Egypt to prohibit by law and to prevent incitement to commit a terrorist act or acts include the following:

Article 86 of the Penal Code as amended by Act No. 97 of 1992 on terrorism provides as follows:

> "Any person who promotes by speech, writing or any other means the purposes mentioned in paragraph 1, or any person directly or indirectly

possessing or acquiring writings, printed materials or recordings of any kind that promote or advocate any of the preceding for dissemination or viewing by others, or anyone who possesses or acquires any means of printing, recording or broadcasting that is used or intended to be used even temporarily to print, record or broadcast any of the aforementioned, shall be subject to a term of imprisonment of no more than five years."

Article 95 of the Penal Code as amended by Act No. 97 of 1992 on terrorism provides as follows:

"Incitement to commit any of the crimes provided for in articles 87, 89, 90, 90 bis, 91, 92, 93 and 94 of this Act shall be punishable by a term of imprisonment with hard labour or, if no consequence resulted therefrom, by a term of ordinary imprisonment." (Annex 1)

In this regard, in a session held on 16 January 2006, the Parliament approved Presidential Decision No. 235 of 2005 on the amendment to article 1, paragraph 3, of the Arab Convention on the Suppression of Terrorism. This provision conforms to Security Council resolution 1624 (2005), which calls on all States to "prohibit by law incitement to commit a terrorist act or acts" and condemns "attempts at the justification or glorification (*apologie*) of terrorist acts that may incite further terrorist acts". It is also in line with the tendency of Egyptian legislation as reflected in the above-mentioned article 86 of the Penal Code and in the broadening of the criminalization of terrorist crimes beyond mere material acts that constitute such crimes to include all acts having to do with, leading to, or facilitating the commission of such crimes, in view of their seriousness. This amendment also represents an important step towards defining terrorism and eradicating it at the roots, which is an important goal of the international community.

2.2 What measures does Egypt take to deny safe haven to any persons with respect to whom there is credible and relevant information giving serious reasons for considering that they have been guilty of incitement to commit a terrorist act or acts?

Paragraph 2

2.3 How does Egypt cooperate with other States in strengthening the security of its international borders with a view to preventing those guilty of incitement to commit a terrorist act or acts from entering their territory, including by combating fraudulent travel documents and, to the extent attainable, by enhancing terrorist screening and passenger security procedures?

Reply to the two enquiries in 2.2 of paragraph 1 and 2.3, paragraph 2, of part 2: "Implementation of Security Council resolution 1624 (2005) regarding additional counter-terrorism measures"

Agencies of the Ministry of the Interior, in cooperation with all foreign States, are working to strengthen security at border crossings and ports with a view to achieving security objectives and implementing relevant international conventions, treaties and resolutions through international, regional and bilateral cooperation. The measures being taken include the following:

- Enhancing passenger security procedures and terrorist screening is one of the main tasks being taken on by the security agencies in coordination with State agencies for controlling crime and facilitating travel in accordance with internationally used techniques and with our response to enquiry 1.8 of part 1;
- The competent agencies of the Ministry of the Interior report all information they receive to all of their international counterparts through recognized channels of communication and diplomatic procedures in order to prevent persons accused of incitement to commit a terrorist act from entering Egyptian territory;
- Combating fraudulent travel documents and identity cards is considered to be one of the main planks of the Ministry of the Interior's plans for dealing with crime in general and combating terrorism in particular with a view to preventing terrorists from entering Egyptian territory and, when they do enter from abroad, capturing and taking legal measures against them;
- A unified strategy has been adopted to thwart recruitment by extremist and terrorist organizations, particularly in light of the fact that the continuing threat posed by terrorism at the international level is one of the basic challenges facing the international community and one that requires total solidarity among States in combating it and confronting its elements. The strategy of the Egyptian Ministry of the Interior rests on a number of pillars, of which the most prominent are:
  - o Curbing the activities of terrorist elements and organizations designed to attract and recruit citizens to their movements or to incite them to commit terrorist acts;
  - o Strengthening measures to monitor the Internet with a view to preventing its use by terrorist organizations for recruitment operations or for incitement to commit terrorist acts;
  - o Warning citizens against travel to conflict zones and impeding and monitoring the movements and activities of extremists in order to control them and to prevent them from inciting others to commit acts of terrorism;
  - o Combating within the legal framework crimes of incitement to acts of violence.

Paragraph 3

2.4 What international efforts is Egypt participating in or considering participating in/initiating in order to enhance dialogue and broaden understanding among civilizations, in an effort to prevent the indiscriminate targeting of different religions and cultures?

Reply:

International efforts in which Egypt is participating in order to enhance dialogue among civilizations include the following:

1. Egypt has affirmed the importance of dialogue between cultures within the Euro-Mediterranean Forum since 21 November 2001 (see annex 2).

2. Egypt has repeatedly argued in favour of attaching due importance to dialogue between cultures and against claims of a link between terrorism and Islam, stressing that dialogue between cultures should be on the basis of equality and mutual respect. It has proposed five guiding principles for such dialogue (see annex 3).

3. Egypt has been an active participant in the cultural dialogue section of the Ministerial Meeting of the Asia-Middle East Dialogue and has addressed the importance of the cultural dimension of dialogue between civilizations and the issue of tradition and modernization in its statements at the Ministerial Meeting held in Singapore in June 2005 (see annex 4) and at the Meeting of the Cultural Dialogue Committee of the political section, held in Kuala Lumpur in February 2006 (see annex 5).

4. Egypt is the site of the headquarters of the Anna Lindh Euro-Mediterranean Foundation for the Dialogue between Cultures, which supports dialogue between the two sides of the Mediterranean.

5. At the second session of the Forum for the Future, held in Bahrain, Egypt put forward proposals to establish a section for dialogue and cultural exchange between the Group of Eight and the States of the greater Middle East.

6. At a meeting of the Euro-Mediterranean Committee held on 22 February 2006, Egypt called on behalf of the Arab Group for measures to be taken to promote greater understanding and support for dialogue between civilizations. This was in the context of the effort to combat the defamation of religions in the wake of the publication by a Danish newspaper of drawings that defamed Islam and its symbols (see annex 6).

7. Al-Azhar, the Archbishop of Canterbury and an Israeli rabbi participated in two meetings on interfaith dialogue.

8. Egypt has participated at the governmental or non-governmental level in most of the seminars being held around the world to promote dialogue between cultures, civilizations and religions.

2.5 What steps is Egypt taking to counter incitement of terrorist acts motivated by extremism and intolerance and to prevent subversion of educational, cultural and religious institutions by terrorists and their supporters?

Reply:

For our response to this item please refer to the response to paragraph 2.1 regarding implementation of Security Council resolution 1624 (2005).

Paragraph 4

2.6 What is Egypt doing to ensure that any measures taken to implement paragraphs 1, 2 and 3 of resolution 1624 (2005) comply with all of its obligations under international law, in particular international human rights law, refugee law and humanitarian law?

Reply:

The Arab Republic of Egypt has ratified all agreements pertaining to human rights, international humanitarian law and refugees. Pursuant to article 151 of the Egyptian Constitution, such agreements become law upon their ratification. Their provisions are operative like those of ordinary legislation, and all levels and types of courts are obligated to apply and implement them, particularly those provisions that pertain to a fair trial in criminal proceedings for crimes of terrorism or any other crimes.

3. Assistance and guidance

3.1 The Committee wishes to emphasize once more the importance that it attaches to the provision of assistance and advice in connection with the implementation of the resolutions. The Committee's Directory of Assistance (www.un.org/sc/ctc) is frequently updated to include new relevant information on available assistance. The Committee takes note of the fields of technical assistance requested by Egypt in its fifth report (S/2005/288) and is pleased to inform Egypt that its requested assistance has been brought to the attention of potential technical assistance providers through the Committee Matrix.

3.2 In addition to the above requested assistance and in light of the specific areas related to Egypt's implementation of resolution 1373 (2001), outlined in Section 1 of this letter, and based on Egypt's reports to the Committee and on the other relevant information available, the Committee, with assistance from the CTED experts, has conducted a preliminary analysis of Egypt's technical assistance needs in order to identify priority areas in which the Committee believes Egypt may benefit from technical assistance. With the agreement of and in cooperation with the Government of Egypt, the aim is to identify the best possible way for Egypt to benefit from technical assistance in order to strengthen its implementation of the provisions of this resolution.

3.3 The analysis identified, on a preliminary basis, the following potential areas of assistance needs, with the understanding that further assessments may be necessary. The points below represent *selected* areas, among the areas referred to in the resolution, where assistance might be particularly useful:

- **Training in combating terrorist financing for the staff of financial institutions;**
- **Training in combating terrorist financing for the MLCU staff;**
- **Training in investigation techniques for combating money-laundering; and**
- **Training in investigation techniques for combating terrorist financing.**

3.4 The Committee would like to receive your country's approval to share the above-mentioned points with donor States and organizations that may be in a position to provide assistance in these *selected* areas (other parts of this letter will not be shared). This would enable the Committee to facilitate the provision of technical assistance. The Committee would appreciate receiving your country's response no later than 30 days from the date of this letter. If your country's response is not received within that period, the Committee will assume that the points could be

shared with the donor States and organizations. The actual provision of assistance would, of course, be subject to Egypt's request and consent. The Committee would also welcome any comments Egypt may have regarding this section (Section 3 on "assistance and guidance").

Reply to the enquiries of part 3 on assistance and guidance

None of Egypt's various government agencies has ever received technical assistance in combating terrorism from the Counter-Terrorism Committee established pursuant to Security Council resolution 1373 (2001). Egypt welcomes technical assistance and advice in connection with all aspects of resolution 1373 (2001) in order to optimize its compliance with the resolution, particularly with regard to modern investigative techniques, the interception and tracking of Internet communications and the use of electronic mail, including training for law enforcement authorities in the utilization of those techniques.

Concerning item 3.3, on assistance and guidance, chapter 6 of the implementing regulations of the Money-Laundering Act is devoted in its entirety to the subject of training, with due attention paid to training courses for officials involved in combating it, as follows:

> Article 41 — Financial institutions, the monitoring authorities, other monitoring agencies, and the MLCU shall establish plans and programmes to train their employees to combat money-laundering so as to ensure that they are equipped to carry out their duties, keep up with global developments and establish sound operational and professional principles in this field.

The establishment and implementation of such programmes is done through coordination between MLCU and the aforementioned institutions, authorities and agencies.

> Article 42 — In implementing preparatory and training programmes, assistance will be sought from specialized local or foreign academies established specifically for this purpose which have experience in combating money-laundering. Local and international expertise will be utilized in the field within the framework of the general orientation and training policy established by MLCU.

The Central Bank also requests financial institutions to supply periodic updates on progress achieved in the area of employee training.

MLCU, in coordination with the Egyptian Banking Institute, has made urgent efforts to promote grater awareness and to train employees.

MLCU cooperates closely with international parties such as the United Nations and the World Bank to expand its capacity and improve educational material in the field of combating money-laundering and the financing of terrorism.

MLCU welcomes greater cooperation with all international parties in this field.

Annexes

1. Act No. 97 of 1992 on terrorism.
2. Session of the Euro-Mediterranean Conference, Brussels, 21 November 2001. Cross-cultural dialogue. Dr. Muhammad Sha'ban.
3. Thirty-first session of the Euro-Mediterranean Conference, Brussels, 8 February 2006. Dialogue between cultures and civilizations.
4. Tradition and modernity.
5. First session of the Asia-Middle East Dialogue on political and security issues and a survey of political and security developments in Asia and the Middle East.
6. Defamation of Islam and cross-cultural dialogue. Dr. Muhammad Sha'ban. Brussels, 22 February 2006.